CHAPTER – II

THEORITICAL ASPECT OF THE STUDY

2.1 INRODUCTION

The theoretical perspectives are presented in the chapter in order to have a clear understanding of the analysis and interpretation made in respect of the women empowerment through self help groups.

SHG is not a charity or simply community based groups. They are created and controlled by the people affected in various circumstances. Group members are not volunteers. Although the work is usually unpaid, members work to change their own situation and the support is mutual. The knowledge base of self-help mutual support groups is experiential, indigenous, and rooted in the wisdom that comes from struggling with problems in concrete, shared ways. SHGs build on the strengths of their members.

Self Help Groups

SHGs have a very important role to play particularly in the transfer of skills to user group population. The members of the SHGs offer their group members with organizational base, large resources, and access to modern skills leading to employment and income generation. Thus, SHG movement among the rural poor in different parts of the country is emerging as a very reliable and efficient mode for technology transfer. However, the pace of transfer and popularization of technologies must be accelerated so that even the small farmer can benefit from new technologies.

The nature of this group can be a registered or unregistered group of micro entrepreneurs having homogenous social and economic backgrounds, voluntarily coming together to save regular small sums of money, mutually agreeing to contribute to a common fund and to meet their emergency needs on the basis of mutual help. Also it is a group of people who pool in their resources to become financially stable by taking loans from the money collected by that group and by making everybody in the group self-
employed. The group members use collective wisdom and peer pressure to ensure proper end-use of credit and timely repayment. This system eliminates the need for collateral security and is closely related to that of solidarity lending, widely used by microfinance institutions. The book-keeping is made simple enough to be handled by the members and the flat interest rates are used for most of loan calculations.

2.2 Origin

The first people in history to demonstrate the power of SHGs were alcoholics. Alcoholics Anonymous was started in 1935 to help "hopeless alcoholics" recover from alcoholism, something the medical profession had been unable to do. The power of “SHGs” is to help people suffering from other problems that was not widely recognized until after World War II.

2.3 Formation of Bangladesh Grameen Bank (BGB)

In 1975, Prof. Mohammed Yunus of Bangladesh started women’s groups in Bangladesh and developed thrift and savings among the poorest. This has developed into a bank named Bangladesh Grameen Bank (BGB). This bank has 1138 branches and covers 39572 villages. It has 2367503 members of which only 124571 are men. The bank has disbursed a cumulative amount of US $ 2714.61 Million whereas the savings of the members have reached US $ 202.73 Million.

With the success of BGB and similar organizations elsewhere, the concept of Micro credit has gained momentum in India. Based on this success many Non-Governmental Organizations (NGOs) in our country are involved in organizing SHGs and they serve as an agent between the bank and the poor.

2.4 SHG Origin in India

Self- help groups (SHGs) play today a major role in poverty alleviation in rural India. A growing number of poor people in various parts of India are members of SHGs and actively engage in savings and credit, as well as in other activities such as income
generation, natural resources management, literacy, child care and nutrition, etc. The SHG system has proven to be very relevant and effective in offering women the possibility to break gradually away from exploitation and isolation.

In India, the pioneer in this field is Self-Employed Women's Association (SEWA). Without the Grameen model SEWA was started in 1972. Though started as a Trade union for women in the unorganized sector, today SEWA is the first Women's Bank in the country. SEWA has networked many co-operatives and emerged as the largest federation of co-operatives in the country.

National Bank for Agricultural and Rural Development (NABARD) refinances the banks, which lend to SHGs. The repayment in this scheme is excellent. NABARD introduced a Pilot Programme for starting and lending to SHGs in 1992 based on the experience of BGB and MYRADA. NABARD also provides training support, Grant cum Aid support for micro credit under its different schemes. All Banks including cooperative Banks and Private Banks lend to SHGs based on their savings at the ratio of 1:1 initially and this can go upto 1:4.

After the Micro Credit summit held at Washington WB, IMF and many foreign funding agencies have directed their projects through micro-credit. The Govt. of India has directed the Council for Advancement of People’s Action and Rural Technology (CAPART) and other funding agencies to focus on micro credit because of which all NGOs are running after people to join in SHGs to get funds. Thus a slow and steady SHG movement started during 1990s in India truly representing the concerns of the poorest of the poor. In Tamil Nadu the SHGs were started in 1989 at Dharmapuri District. At present 1.40 lakh groups are functioning with 23.83 lakh members.

2.5 Concept

SHG is a small voluntary association of poor people, preferably from the same socioeconomic background. They come together for the purpose of solving their common problems through self-help and mutual help. The SHG promotes small savings among its
members. The savings are kept with a bank. This common fund is in the name of the SHG. Usually, the number of members in one SHG does not exceed twenty.

The concept of SHG is based on the following principles:

Self-help supplemented with mutual help can be a powerful vehicle for the poor in their socioeconomic development.

- Participative financial services management is more responsive and efficient.
- Poor people requires not only credit support, but also savings and other services
- SHGs acts as clients for banks which, results in wider reach, lower transaction costs and much lower risk costs for the banks
- Creation of a common fund by contributing small savings on a regular basis
- Flexible democratic system of working
- Loaning is done mainly on trust with a bare documentation and without any security
- The amounts given as loan are small, frequent and in shorter duration
- Defaults are rare mainly due to group pressure

2.6 Characteristics

The following are some of essential characteristics of SHGs:

- A group can be registered or unregistered.
- Members of the group come together out of their volition. However, sometimes groups are promoted by NGO and banks. In such a case these are called “self help promoting institutions”.
- The members of the SHG are restricted to 10-20.
- Members contribute a part of their earnings regularly to a common fund.
There is frequent meeting of members to decide on terms and conditions on savings and loans.

Records maintained by the groups are membership register minute book, saving book and loan book.

There is the provision of borrowing from bank and use of borrowing for credit of the group members.

### 2.7 Objectives of SHG

The formation of SHG for rural unemployed, especially women ensures a sense of satisfaction to the poor. Membership in a group activity gives her/him a feeling of self-esteem, self-dependence, cooperation and protection. The approach towards poverty alleviation is based on the formation of SHGs at the grassroots level. The necessity for organizing them into groups is due to the benefits of collective perceptions, collective decision-making and collective implementation of programmes for common benefits.

This organization acts as an instrument of empowerment of the poor as well as an antidote to the helplessness of this section of the people. The group savings of SHGs serve a wide range of objectives other than immediate investment.

A SHG is usually formed with the following objectives in mind.

- Improve discipline among the group members in developing a saving habit
- Savings enhance self-confidence of the individual as it is a sign of group encouragement
- Group savings of the poor can demonstrate the strength of unity of members
- Savings can cover the individual's risk against normal business risk
- With credit becoming available through the collective savings, the members can start new, viable, economic activities to get rid of poverty.
- To develop women socially and economically, who live below the poverty line (BPL)
• To stop treating of women as slaves
• To bring out the potential in women
• To promote gender equality in equal rights
• To promote unity among women, learn to work together
• To enhance community harmony
• To promote education and make cent percent literacy for women
• To give importance to the differently-abled person and help them
• To follow the small family norms
• To encourage women to take over village level administration
• To take part in the political processes
• To voluntarily save from their income and expenditure
• To take small loans without having to pledge jewels with money lenders or pledge documents in the banks
• To pay the school fees of children and meet emergency medical expenses from out of the savings
• To understand about the economic, political situation and visit different places like government offices, banks etc
• To get schemes to meet the basic needs of the village or women themselves

These strong objectives have changed the lives of millions of people and it implies the importance of creating and running such a group.

2.8 Functions and Organization Structure

The Department of Women and Child development, Ministry of Human Resource Development (HRD), Government of India, had initiated a programme called Indira Mahila Yojana (IMY) in August 1995. IMY integrated components of several spectral programmes and facilitated their convergence to benefit Women. Women in the rural or urban areas were helped to form groups namely the Indira Mahila Kendras (IMKs) at the Anganwadi level.
At the grass root level, women's SHGs were under every Anganwadi, which were later federated into the Indira Mahila Block Society (IMBS) to be registered under the Societies Act. SHGs adopt participatory approach for the socio-Economic empowerment of women with a common objective to come together and participate in the development activities. Each SHG comprises of 10 to 20 women or men who want to improve their living conditions by setting up their own savings and loan fund. The fund is owned by the group and consists of the savings of members. The fund is used to make short-term loans with interest to members. The profit of the fund is divided to the members of the group at the end of the year.

The group comes together every week to collect savings and to give the loans. The members of the group choose the location of the meetings. The meetings should be held in a short and at a convenient time for everyone. The participation of all the members in the meeting is important. The attendance of all the members guarantees the correctness of the accounts and the success of the group.

2.9 Organization structure:

The members of the group will elect a management committee of 3 members:

1) Animator – To preside the group meetings
2) Representative 1 – Ensures about the norms
3) Representative 2 – Maintains the accounts

The entire network of SHGs is overseen by elected bodies of Women’s and Men’s Federations, who are charged with general decision making and oversight of loans. All leadership positions receive regular trainings, workshops, and seminars to develop the capacities of each individual leader.

The project will train the management committee in basic accounting, in which a book is written to monitor the weekly savings of all members, a book in which the loans and loan repayments are written and a cashbook in which the total amount of money in the fund is mentioned. Apart from this, all members will have their individual savings
and loan card. It is the responsibility of all members to deposit the same amount of savings every week and to pay their loans plus interest on time. If the members cannot carry this responsibility, the group will not be successful, therefore it is important to select members who are reliable.

**Decision making by the group**

The group decides an important issues which are given below:

The amount of savings that all members will contribute every week

- The loan term
- The interest rate on loans
- The amount of fine for late repayment
- The amount of fine for non-attendance without good reason

The group will allocate a standard amount all the times for emergency loans. Emergency loans are loans that can be given any day of the week to group members who have a sick person or an emergency in their family and require money urgently. Emergency loans are allocated free of interest. All the loans need to be paid at the end of the financial year. During the last meeting of the year, the members will receive their part of the profit.

In this model groups are formed by agencies like NGO’s, Government agencies or other community based organizations. The groups are nurtured and trained by these agencies. The bank opens savings accounts and then provides credit facility directly to SHG after observing their operations. The NGO act as both facilitator and micro finance intermediaries (MFIs). The SHG is a tool to promote rural savings and gainful employment. Through this, the rural poverty is reduced considerably. Therefore women members are economically independent and their contribution to household income is also increased.

**2.10 Formation**
The formation of the SHG can be defined in four steps.

Step 1:

The intention to form a group by a group of their own or by a facilitator. Role of the facilitator is crucial in getting around a group of illiterate poor people and present a positive outlook about SHG.

Step 2:

Once the group is formed, it is important to write the rules for entry and exit policy, savings, loans and repayments etc. At this stage, it is mandatory to have an eligible group leaders, animators etc.

Step 3:

A bank account has to be opened in the name of the group. Then the regular savings must be done by all the group members. It is required for a sensitized micro credit institution and a village based accountant (if the SHG’s are in rural area).

Step 4:

In this stage, the bank loan is applied by SHG as a group. It is required to synergies bank credit, insurance for any physical asset against bank loan under single window operation.

Step 5:

Once the loan is availed, the money is disbursed for the needy members. Also, the group should start the income generation activity which is self sustaining and not dependent on the vagaries of nature.

2.11 Advantages
An economically poor individual gains strength as part of this group. Besides, financing through SHGs reduces transaction costs for both lenders and borrowers. While lenders have to handle only a single SHG account instead of a large number of small / sized individual accounts, borrowers as part of an SHG minimizes the expenses on travel for completing paper work and on the loss of workdays in canvassing for loans.

There are various advantages as listed in the SHGs:

1. Group Interaction

Members of self-help groups have the opportunity to form friendships with others who share their issue or concern. This can lead to greater emotional support and a sense of belonging.

2. Networking

In certain types of groups, such as a support group for people changing careers, the group itself becomes a valuable networking opportunity.

3. Practical Knowledge

Members of the group provide a vast storehouse of practical knowledge to one another.

4. Collective action for development
5. Women begin to form similar groups seeing the success of the other SHGs
6. Family welfare through social awareness
7. Enhanced social status from secondary to primary
8. Economic independence
9. Inculcation of the spirit of Self Help
10. Voicing and acting against social injustices
11. Problem solving ability
12. Increased consciousness
13. Desire for better infrastructure
14. Equal voice in shaping the direction of the group
15. Inviting local media to see and hear your experiences.

2.12 Role of SHG

SHGs play a very vital and critical role through empowering women in plenty of fields. In recent years the approach of the group to various poverty alleviation programmes is getting recognition in India. Mostly, women are mobilized into groups for undertaking mutually beneficial, social and economic activities. The group provides women, a base for self-employment and empowerment through group dynamics.

It is being realized in India that SHGs can establish relationship between the formal institutions and the poor for providing information, credit and other facilities. Group approach to poverty alleviation is gaining momentum in India and other developing countries. This approach aims at inculcating the habits of saving in small amounts, supplemented by borrowing from outside sources and rotation of saved and borrowed funds by lending within the group.

The basis of SHGs has existed in rural society much prior to the period when rural planners formulated this concept. The groups have also been termed as “affinity group” due to the existing natural bonds of caste, blood, community or activity and “solidarity groups” as they provide monetary and moral support to each other in times of their difficulty. SHG is not a new concept in development. The traditional Indian society functioned mainly on the basis of self help and mutual aid. However, in recent years, they have been emerging as a major strategy for the promotion of informal credit to the poor.

In India the concept of SHGs can be traced back to the Gandhian Grama Swaraj movement. It is mainly concerned with the poor; it is “of the people and for the people”. Unlike has many other countries which have implemented SHGs after the mid seventies as a part of the formal credit delivery system, India been experimenting with the concept for decades.
2.13 Effectiveness of SHG in Global Context

The emergence of SHGs can be seen as a response to industrialization, the breakdown of the kinship system, and the decline of the community (Katz & Bender, 1976) [9]; although alternative views see it as a reflection of an ineffective, inefficient and dehumanizing formal system of care. Currently, the increasing interest in providing services that are family-centered is also considered a factor contributing to the increased number of self-help groups. Despite the variety of explanations for the self-help phenomenon, the consensus is that there is a need for a new model to supplement and complement professional services.

For example, about two percent of Canadians belonged to self-help groups in 1987, approximately 10 percent of Israel’s population, was estimated to have some type of involvement in a SHG and cancer SHGs were found to be prevalent in major cities in China. In the United States, SHG participation amounted to 10 million in 1996 and it was noted that more Americans try to change their health behaviors through self-help than through all other forms of professional programs combined.

The proliferation of SHGs in various countries can be seen as an initial indication of SHG effectiveness, because groups will cease to exist without value. The self-help movement is becoming a global phenomenon. In some countries, SHGs already exist for every medical condition listed by the World Health Organization (WHO), and they are serving people who encounter almost every physical, behavioral and emotional problem. In spite of the rapid growth of SHGs in India, the full potential of utilizing SHGs remains untapped. One of the reasons may be attributed to the lack of systematic research and solid methodological foundations. Little was known about how helpful SHGs are to members, and what kind of Social empowerment they have brought about. The research component of the self-help phenomenon has clearly been left behind by the self-help movement itself.

Theoretically and empirically, the effectiveness of self-help groups has been widely documented in global context. The “helper-therapy principle” postulated by
Riessman (1965)[10] pointed to the process by which helping others has a therapeutic effect on the helper, and the self-help group provides the context for members to gain the unique benefits that may arise from helping someone who has the same problem as the helper.

The SHGs, which offer the venue for, shared experience; emotional support and social learning can help constitute a social identity. Also, the SHGs provide a unique opportunity for growth, social experimentation and change. Past research has identified several major outcomes of SHGs. These include: emotional support, acceptance, empathy, affirmation, spirit of hope, and sharing of feelings; provision of factual information and sharing of experiential knowledge; development of a sense of community and individual and collective empowerment.

2.14 Effectiveness of SHG in Indian Context

SHGs are fast emerging as powerful tool of socio-Economic empowerment of the poor in India’s rural areas. SHGs are initially formed on the foundation of the accumulated endowment of bonding social capital already existing in the community. The social capital produced by the SHG as it matures through creation of new ties and linkages, strengthens the community’s cooperative capacity to the achievement of group government. When the SHGs grow they begin to articulate the community demands as they become aware of their rights and therefore attitude of the government bureaucratic officials changes and they become more responsive to the needs of the community i.e., with the maturity of SHG the state-society relationship begins to change at the local level.

In this way, SHGs which were originally established to produce economic benefits for members eventually became an associational framework for collaborative actions that produce public goods. As a result a range of other community-level organizations emerge where often members of the SHGs are recruited. Role of SHGs in strengthening local governance and political democracy can be described by the fact that a number of SHGs members are being elected in the Panchayti Raj system in India, the lowest tier of local democratic governance.
In SHGs it is assumed that all poor households need to save and have the inherent capacity to save small amount regularly; easy access to credit is more important than cheap subsidized credit which involves intricate bureaucratic procedures, the poor are the best judge of their credit needs and are good users and re-payers of credit when formed in group. A notable feature of SHG is that before its linkage with any financial institution, credit discipline is imbibed among the member by way of SHG with banks have improved the socio-economic condition of its member by way of positive Empowerment on income, saving, and self-confidence. The empowerment is more pronounced in the case of SHGS linked through NGOs. SHGs which have proved to be successful in addressing the interests of women in a sustained manner. They are extremely useful in generating savings, ensuring successful delivery of credit to individual women and effecting recovery. In addition, they serve as an ideal mechanism for bringing omen out of their homes, making them more articulate and honing their leadership qualities and their skills as motivators. Women-led SHGs in the State of Tamilnadu have won laurels for their exemplary performance.

2.15 Impact of SHG Movement in India

Various organizations evaluated SHGs including NABARD, NGOs and ORG-Marg. Some of the salient findings are.

- Almost, 98% of the members make savings regularly as the norms prescribed by the groups.
- All the groups meet at least once in a month to discuss various social issues related to their day- to -day life.
- Over 98% of eligible members adopt small family norms.
- 100% children of SHG members are able to access immunization services against the diseases.
- 30% of members have access to safe cooking fuels (LPG) under the Government promoted scheme popularly known as “DEEPAM”.
- 80% of the total SHGs have accessed financial assistance from banks and repayments 98%. 

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Members are engaged in 450 varieties of income generating activities.

Additional family incomes to member range from Rs.1000-3000 per annum depending on the income generating activities.

Increase in self confidence and self esteem

Increase in awareness levels about the society and community. Voluntary participation in community activities like laying roads, planting trees, conserving environment, construction of water harvesting structures, donations to the victims of natural calamities helping to reduce crime against girls and women, campaign against eradication of social evils like dowry, child marriages, untouchability, AIDS, rescue and rehabilitation of orphaned children, counseling adolescent girls are a few to mention.

2.16 Role of NGO’s in SHG

NGO has played a significant role in formation of SHGs and providing of credit linkage to groups through banks. NABARD has also played a vital role in providing finance to groups, members of the group set loan which consists of the following characteristics:

- Easy loan at door step.
- Loan is given without much documentation.
- Loan is given without security or mortgage.
- Loan is given immediately at the time of need.

NABARD has launched the project of SHG in the year 1992. It provides resources and training for NGO formation and provides direct financial assistance to NGO in group formation. It also provides training to bank official on formation of group and strengthening various groups.

2.17 Role of Government in SHG
The SHG model is a homegrown model that emerged in the Nineteen Eighties and Nineties. There is an overwhelming support for the SHG movement from the Government of India, India's Central Bank, NABARD, the banking sector, state governments, and NGOs. The important growth of the SHGs, in numbers, is mainly attributable to the proactive role of the state governments. For example Government of Andhra Pradesh has promoted more than 700,000 SHGs. The leadership role played by NABARD, all the banks and NGOs contributed to the exponential growth. Over the past 5 years, the Indian Government Budget presentation has emphasized on SHG bank linkage each year.

WOMEN EMPOWERMENT AND SHG

2.18 Empowerment

The word 'Empowerment' means giving power. According to the International Encyclopedia (1999), power means having the capacity and the means to direct one's life towards desired social, political and economic goals or status. Therefore, “women empowerment” means giving the capacity and means to direct women's life towards desired goals.

Empowerment is a process by which women gains greater control over resources like income, knowledge, information, technology, skill and training, challenge the ideology of patriarchy and participate in leadership, decision making process, enhance the self-image of women, to become active participants in the process of change and to develop the skills to assert themselves.

Empowerment is not essentially political alone; it is a process of having personal, economic social and political dimensions with Personal empowerment being the core of the empowerment process. In fact political empowerment will not succeed in the absence of Economic empowerment. The Scheme of Micro-financing through SHGs create empowerment promoting conditions for women to move from positions of marginalization within household decision making process and exclusion within community, to one of the greater centrality, inclusion of voice.
The Social processes of Micro financing programmes strengthen women's self esteem and self worth, instill a greater sense of awareness of social and political issues leading to increased mobility and reduced traditional seclusion of women. Most importantly micro-finance programmes enable women to contribute to the household economy, increasing their intra-household bargaining power. Thus, micro-financing through SHGs has transferred the real economic power in the hands of women and has considerably reduced their dependence of men. But the lack of education often comes in the way and many a times they had to seek help from their husbands or any other educational man/woman for day-to-day work. The political as well as Economic empowerment will not succeed in the absence of women education in skills and vocations they require the most.

The Government in developing countries therefore must take effective steps to enroll the members of SHGs in the schemes of open schooling or any other distance mode to impart education. Although it is true that Economic empowerment alone does not always lead to reversal in gender relationship.

2.19 Concept of Women Empowerment

One of the first systematic interpretations of this concept is found in the technical literature of the Human Development Report (HDR) wherein it is referred to as the Gender Empowerment Measure (GEM). The GEM uses variables constructed explicitly to measure the relative empowerment of women and men in political and economic spheres of society. The first two variables reflect economic participation and participation in decision-making, measured in terms of women's and men's percentage shares of administrative and managerial positions and their percentage shares of professional and technical jobs. These are broad, loosely defined occupational categories. Because the relevant population for each is different, then HDR calculates a separate index for each and then adds them together. The third variable, women's and men's percentage shares of parliamentary seats, is chosen to reflect political participation and decision-making power.
2.20 Need for Women Empowerment

There is an urgent necessity to improve the status of women by well conceived, planned development programmes which would have active community participation based on the women's needs in order to emancipate and empower them. The physical strength and alleged dominance of men has been an important instrument of controlling women's freedom of action. The empowered woman is able to exercise her judgment independently and correctly in democracy.

Empowerment is expected to develop confidence in one’s self and have faith in one’s self. Empowerment directly affects the life of women positively. The life style, social status, struggle against injustice, opposition to various kinds of harassment in the society etc are the in-built qualities of women empowerment. In the light of the above facts, in an enlightened society both the government and non-governmental organizations are playing a meaningful, fruitful and effective role in undertaking various activities for women’s empowerment.

Need for empowerment of women is by empowerment; women would be able to develop self-esteem, confidence, realize their potential and enhance their collective bargaining power. Women’s empowerment can be viewed as a continuum of several inter-related and mutually reinforcing components. Capacity building and skill development, especially the ability to plan, make decisions, organize, manage and carry out activities, to deal with people and institutions in the world around them. Along with participation, greater control, decision making power in the house, community and society. Thus, empowerment is “a process of awareness and capacity building, leading to greater participation, greater decision-making power and control the transformative action”. The empowerment of women covers both individual and collective transformation. It strengthens their innate ability through acquiring knowledge, power and experience.

Poverty and unemployment are the major problems of any under developed countries, to which India is no exception. In India, at the end of ninth five year plan
26.1% of the population was living below poverty line. In the rural area 27.1% of the population was living under poverty. The overall unemployment rate is estimated to 7.32%. The female unemployment rate is 8.5%. The rate of growth of women unemployment in the rural area is 9.8%. This is because of the low growth rate of new and productive employment. SHG is a tool to remove poverty and improve the rural development.

2.21 Personal empowerment of Women

Personal empowerment relates to the way people think about themselves, as well as the knowledge, capacities, skills, and mastery they actually possess. The process of components leading to empowerment include both individual and social factors. Strengthening intellectual capabilities and the power within can be seen as individual factors in the process, whereas mobilizing collective action and maximizing power can be referred to social factors.

Individual empowerment develops when people attempt to develop the capabilities to overcome their psychological and intellectual obstacles and attain self-determination, self-sufficiency and decision making abilities.

Components of individual empowerment to understand the meaning of self-determination more clearly, four dimensions of self-determination to be considered:

(a) Consistency and perseverance in activities,

(b) The courage to take risks,

(c) Initiative and proactively, and

(d) The ability to voice one’s opinion.

2.22 Economic empowerment of Women
Economic independence or access to an inherited or self-generated income is considered to be the major means of empowerment of women. The Equal Remuneration Act, 1976 (India) was a major step towards protective legislation and establishing the principles of equality, as it provides for equal remuneration to men and women workers.

According to the new policy initiative known as “Vision 2000: Policy for the advancement of Women in Tamil Nadu,” each and every project and programme in Tamil Nadu was decided to be designed in a manner that will redefine the roles of women and men, such that it will enable them to work as equal partners. The Tamil Nadu Corporation of Women was established to act as an important point for bringing women into the mainstream in all programmes and projects. This policy has been disseminated through all avenues to all governmental and non-governmental organizations, which work for the cause of women.

SHGs main activity is the establishment of savings and credit. Savings encourages people to plan for future needs. The group members have open discussions and think about various options. Such discussions help in strengthening the analytical and problem solving skills of the members. Enterprising attributes are: initiative, creativity, flexibility, leadership, independence, problem solving, persuasive, calculated risk taking, need for achievement, hard work and learning form mistakes.

The level of income per month has been considered the indicator of the Economic empowerment. A successful economic development program should lead to higher level of income to its beneficiaries. This is considered to be the primary goal of any economic development program.

2.23 Social empowerment of Women

One of the recommendations of the National Policy on Education (1986) is to promote “empowerment” of women through the agency of education and it is considered as a landmark in the approach to women's education. The National Literacy Mission is another step towards eradication of illiteracy in the age group of 15 – 35 years by the year 1988. The universalization of elementary education, enrolment and retention of girls in
the schools, promotion of balwadis and creches, increasing the number of girls' hostels, 
womens' polytechnics and multi-purpose institutions and non-formal education, open and 
distance education programmes were some of the other steps taken to boost women's 
education.

Three indicators, used to identify the Social empowerment are:

- Business knowledge and established market links by women beneficiaries
- Mobility outside their home
- Participation in the intra-family decision making process

In both rural and urban areas, poor women have limited access to information, 
about all aspects of paid work. Economic development program should help women to 
acquire more knowledge, information and opportunity for interaction with the outside 
world. It helps them to enhance their levels of self-confidence and empowerment. 
Women engaged in a business need to know different price level of raw materials and 
finished product at different markets such as wholesale and retail. Women need to 
establish marketing links to self their product and for buying raw materials to maintain 
the business flow.

The past three decades have witnessed a steadily increasing awareness of the need 
to empower women through measures to increase social, economic, political equity and 
broader access to fundamental human rights, improvements in nutrition, basic health and 
education. Gender is not synonymous with women, nor is it a zero-sum game implying 
loss for men rather; it refers to both women and men, and to their status, relative to each 
other. Gender equality refers to that stage of human social development at which “the 
rights, responsibilities and opportunities of individuals will not be determined by the fact 
of being born male or female”. In other words, it is a stage when both men and women 
realize their full potential.

In recognition of the importance of establishing gender equality around the world, 
the United Nations Development Fund for Women (UNIFEM) was established as a 
separate fund within the United Nations Development Program (UNDP) in 1984. At that
time, the General Assembly instructed it to “ensure women's involvement with mainstream activities”.

2.24 Women Empowerment and SHG

The SHG in India have come a long way, since its inception in 1992. At present SHG is widely used as an instrument to empower women socially and economically. Once socio-Economic empowerment is achieved, it would have implication on the overall development of women. The economic contribution of women has been found to be related to her role and status in the society. Economic independence facilities in bringing about gender equality and increase in women's income translates more directly into family wellbeing. Therefore, enhancing income earning opportunities through the formation of SHGs is a viable pathway for empowerment of women. Empowerment through SHG is shown as follows:

The SHG is a viable alternative to achieve the objectives of rural development and specially women empowerment. Through SHG, the micro credit is disbursed to rural women for the purpose of making them enterprising women and encouraging them to enter entrepreneurial activities. Credit needs of rural women can be fulfilled totally through the SHG.

The group members save a regular amount of Rs. 10 to Rs. 100 every month. The group rotates the money to the needy members for various purposes at a specified interest rate. As the repayment is cent percent and the recycling is fast, the savings amount increases rapidly owing to the accumulation of income from interest. The savings habit helps the members to escape clutches of money lenders.

It paves the way for the empowerment of women and builds confidence in them to stand on their own feet. After the group stabilizes over a period of six months or more in the management of its own funds, it conducts regular meetings, maintains savings and gives loans to members on interest. The SHGs are linked with the banks for external credit under the projects of rural development. The banks provide assistance for various
entrepreneurial activities such as setting up small shops, vegetable shops, tailoring units, charcoal making units, dairies etc.

The borrowers repay the bank loans properly. The SHGs repay more than 90 percent loans for the banks on time. Besides focusing on entrepreneurial development and empowering women SHGs concentrate on all-round development of the beneficiaries and their village as a whole. The groups undertake the responsibility of delivering non-credit services such as literacy, health and environmental issues. The concept of SHG moulds women as responsible citizens of the country achieving social and economic status.

There are many successful women forums and organizations that are trying to bring the rural women together for developmental works. The examples are – Working Women's Forum (WWF), SEWA, Shri Mahila Griha Udyog Lijjat Papad or Lijjat and Mann Deshi Mahila Sha Bank Ltd, Mhaswad, Maharashtra. The SHG presence is very weak in the North Eastern Region and Western regions of India when compared to the Southern India that to particularly Andhra pradesh and Tamil Nadu. However, there are some problems in the functioning of SHG's such as lack of understanding and co-operation among SHG and the possibility of conflicts between SHG leadership and membership based on caste and location of residence. Monopolistic power in the hands of NGO and banking agency and inability to catch the market for farm based products are other problems.

PROFILE OF THE STUDY AREA – TIRUPPUR DISTRICT

2.25 Tiruppur District Formation

Tiruppur is a district of the Indian state Tamil Nadu, formed in October 2008. This district is formed with the taluks from Coimbatore district and Erode district: Tiruppur, Avinashi, Palladam, Dharapuram, Kangeyam, Madathukulam and Udumalpet. Tiruppur district is a well-developed and highly revenue yielding district in Tamil Nadu. This district is famous for the Tiruppur banian industry, Cotton market, the famous Uthukuli butter etc. Tiruppur city is the administrative headquarters of this district.
The formation of the new Tirunpur district was a decade old dream for the exporters and commoners of Tirunpur to form a new Tirunpur district with Tirunpur city and surrounding region where there is a considerable industrial and business activity. This was to facilitate better administration to the region and take appropriate development measures. Tirunpur district has been carved out of the Coimbatore and Erode districts making it as the 32nd district of Tamil Nadu and one among the ten well industrialized and economically developed districts of Tamil Nadu.

Before the formation of Tirunpur district, Avinashi, Tirupur, Palladam and Udumalpet were taluks of Coimbatore district; and Dharapuram and Kangeyam were taluks of Erode district. The new taluk Madathukulam was formed after the district was created.

2.26 Geography and Climate

Tirunpur district lies on the western part of Tamil Nadu bordering the western ghats and hence the district enjoys a moderate climate. The district is surrounded by Coimbatore district in the west, Erode district to the North and northeast and Karur district in the east and Dindigul district in the south east. To the south the district is surrounded by Kerala state.

The district has an area of 516.12 square kilometers. the southern and south western parts of the district enjoys maximum rainfall, due to the surrounding of western ghats. The rest of the district lies in the rain shadow region of the Western Ghats and experiences salubrious climate most parts of the year, except the extreme east part of the district.

The mean maximum and minimum temperatures for Tirunpur city during summer and winter vary between 35°C to 18°C. The average annual rainfall in the plains is around 700 mm with the North East and the South West monsoons contributing to 47% and 28% respectively to the total rainfall. T
The major rivers flowing through the district are Noyyal and Amaravathi. The Amaravati river is the main source of irrigation in the district. Amaravathi Dam, which created Amaravathi Reservoir, is located at Amaravathinagar. Thirumurthy dam which is created by the PAP project is situated in this district. Both Amaravathi dam and Thirumurthy dam are the prime source of irrigation in the district, whereas Uppaar dam is another dam which receives water from seasonal rains.

### 2.27 Demographics

According to the 2011 census Tiruppur district has a population of 2,471,222, roughly equal to the nation of Kuwait or the US state of Nevada. This gives it a ranking of 176th in India out of a total of 640. The district has a population density of 476 inhabitants per square kilometer (1,230 /sq mi). Its population growth rate over the decade 2001-2011 was 29.69%. Tiruppur has a sex ratio of 988 females for every 1000 males and a literacy rate of 79.1%.

The urban population is 8, 25,006 and the rural population is 10, 92,027. Tamil is the principal language spoken in the district, with sizable minorities of Telugu, Malayalam and Kannada speakers. Hindus formed the majority of the population at 90.08% followed by Muslims at 5.33%, Christians at 4.35% and others at 0.24%. People from all the states have their stay in Tiruppur due to its rapid industrialization.
### TABLE-2.1

#### District Abstract

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Area</td>
<td>5186.34 Sq.K.M.</td>
</tr>
<tr>
<td>2</td>
<td>Population (as per 2011 Census)</td>
<td>24,71,222 (Male: 12,42,974, Female: 12,28,248)</td>
</tr>
<tr>
<td>3</td>
<td>No. of Revenue divisions</td>
<td>3, Tiruppur, Dharapuram &amp; Udumalpet</td>
</tr>
<tr>
<td>4</td>
<td>No. of Taluks</td>
<td>7</td>
</tr>
<tr>
<td>5</td>
<td>No. of Revenue Villages</td>
<td>350</td>
</tr>
<tr>
<td>6</td>
<td>No. of Panchayat Unions</td>
<td>13</td>
</tr>
<tr>
<td>7</td>
<td>No. of Village Panchayats</td>
<td>273</td>
</tr>
<tr>
<td>8</td>
<td>No. of Town Panchayats</td>
<td>16</td>
</tr>
<tr>
<td>9</td>
<td>No. of Municipalities</td>
<td>5</td>
</tr>
<tr>
<td>10</td>
<td>No. of Corporation</td>
<td>1 – Tiruppur</td>
</tr>
<tr>
<td>11</td>
<td>No. of Parliamentary Constituencies</td>
<td>Total: 5 - 1. Tiruppur(Par), 2. Pollachi(Par), 3. The Nilgiris (Par), 4. Coimbatore(Par) and 5. Erode(Par).</td>
</tr>
<tr>
<td>12</td>
<td>No. of Assembly Constituencies</td>
<td>8</td>
</tr>
<tr>
<td>13</td>
<td>Irrigation</td>
<td>1. PAP</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Amaravathi-Dam</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Lower Bhavani Project</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total: 120685 Hec.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Sugarcane Road</td>
</tr>
<tr>
<td></td>
<td></td>
<td>103.771 km</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Other district</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1634.661 km</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total: 120685 Hec.</td>
</tr>
<tr>
<td>14</td>
<td>Road</td>
<td>1. State Highway</td>
</tr>
<tr>
<td></td>
<td></td>
<td>625.516 km</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Sugarcane Road</td>
</tr>
<tr>
<td></td>
<td></td>
<td>103.771 km</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Other district</td>
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<tr>
<td></td>
<td></td>
<td>1634.661 km</td>
</tr>
<tr>
<td></td>
<td></td>
<td>roads</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td></td>
<td>4. Major district roads</td>
<td>471.750 km</td>
</tr>
<tr>
<td></td>
<td>5. National highways</td>
<td>NH47- 35km</td>
</tr>
<tr>
<td></td>
<td></td>
<td>NH67– 68km</td>
</tr>
<tr>
<td></td>
<td></td>
<td>NH209 – 25km</td>
</tr>
<tr>
<td>15</td>
<td>No. of Noon Meal centre</td>
<td>1298</td>
</tr>
<tr>
<td>16</td>
<td>No. of Anganwadi centre</td>
<td>1509</td>
</tr>
<tr>
<td>17</td>
<td>Schools</td>
<td>1. Primary 890</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Middle 293</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Higher 65</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4. Higher secondary 70</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5. Metric 105</td>
</tr>
<tr>
<td>18</td>
<td>No. of Primary Health centre/ Sub centre</td>
<td>43 PHCs – 242 sub centres</td>
</tr>
<tr>
<td>19</td>
<td>Total No. of Hospitals/Beds</td>
<td>8 Hospitals – 910 Beds</td>
</tr>
<tr>
<td>20</td>
<td>Hostel</td>
<td>SC 16</td>
</tr>
<tr>
<td></td>
<td></td>
<td>BC 24</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ST -</td>
</tr>
<tr>
<td>21</td>
<td>No. of Self Help Groups</td>
<td>11613 Women Self Help Groups</td>
</tr>
<tr>
<td></td>
<td></td>
<td>553 Men Self Help Groups</td>
</tr>
<tr>
<td>22</td>
<td>No. of Police Subdivisions</td>
<td>6</td>
</tr>
<tr>
<td>23</td>
<td>No. of Police Stations</td>
<td>31</td>
</tr>
</tbody>
</table>
Map of the District

TIRUPUR DISTRICT

EREODE DISTRICT

AVINASHI TALUK

PALLADAM TALUK

KANGAYAM TALUK

DINIGUL DISTRICT

UDUMALPET TALUK

KARUR DISTRICT

COIMBATORE DISTRICT

AREA: 5106.23 Sq/Km
Population: (2001)
Urban: 8,25,006
Rural: 10,92,027
Total: 19,17,033

REVENUE DIVISIONS:
1) TIRUPUR
2) DHARAPURAM

TALUKS:
1) TIRUPUR
2) AVINASHI
3) PALLADAM
4) UDMALPET
5) KANGAYAM
6) DHARAPURAM

REFERENCE
State Boundary
District Boundary
Taluk Boundary
Firka Boundary

...
2.3.8 Mahilir Thittam (Mathi)

The programme is implemented in partnership with NGOs and Community based organizations which are affiliated with Tamil Nadu Corporation for Development of Women (TNCDW) after due process. So far 9,803 SHGs have been formed in the district. The members and office bearers of the SHGs promoted by Mahalir Thittam are provided Systematic training to bring about qualitative changes in their attitude and to promote cohesion and effective functioning of the group.

Group formation:

In order to enable all women living below poverty like to join and benefit from the SHGs movement, it has been estimated that 1200 groups will be formed in this district with special focus on NREGS workers, urban slum dwellers and village Panchayats where coverage of women for women in SHG is still inadequate.

2.3.9 Revolving Fund in the SHG

The annual target for Tiruppur district for sanction of RF to SHGs in 2009-2010 has been finalized taking into consideration the number of active and eligible SHGs in Tiruppur district and also the estimated scope for further achievement.

<table>
<thead>
<tr>
<th>Rural</th>
<th>Urban</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mathi</td>
<td>Non-mathi</td>
<td>Total</td>
</tr>
<tr>
<td>540</td>
<td>180</td>
<td>720</td>
</tr>
</tbody>
</table>

Eligibility Criteria

- Groups formed during last year which have not received RF so far
- Any other left-out SHGs which have not received RF so far.
- Target under Mathi Category includes groups formed under VKP also.
- Non-Mathi SHGs are eligible to received RF subsidy only in rural areas.
Table 2.3

Urban upto (2010-11)

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Name of the municipality</th>
<th>Women SHG</th>
<th>Youth SHG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tirupur</td>
<td>861</td>
<td>-</td>
<td>861</td>
</tr>
<tr>
<td>2</td>
<td>udumalpet</td>
<td>429</td>
<td>33</td>
<td>462</td>
</tr>
<tr>
<td>3</td>
<td>Velampalyam</td>
<td>140</td>
<td>-</td>
<td>140</td>
</tr>
<tr>
<td>4</td>
<td>Nallur</td>
<td>109</td>
<td>2</td>
<td>111</td>
</tr>
<tr>
<td>5</td>
<td>Dharapuram</td>
<td>257</td>
<td>11</td>
<td>268</td>
</tr>
<tr>
<td>6</td>
<td>Vellakovil</td>
<td>270</td>
<td>8</td>
<td>278</td>
</tr>
<tr>
<td>7</td>
<td>Palladam</td>
<td>166</td>
<td>4</td>
<td>170</td>
</tr>
<tr>
<td>8</td>
<td>Kangayam</td>
<td>160</td>
<td>5</td>
<td>165</td>
</tr>
</tbody>
</table>

SHG details Town Panchayat URBAN (Upto2010-11)

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Name of the Town Panchayat</th>
<th>Women SHG</th>
<th>Youth SHG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Avinashi</td>
<td>91</td>
<td>-</td>
<td>91</td>
</tr>
<tr>
<td>2</td>
<td>Thirumuruganpoondi</td>
<td>38</td>
<td>-</td>
<td>38</td>
</tr>
<tr>
<td>3</td>
<td>Samalpuram</td>
<td>64</td>
<td>1</td>
<td>65</td>
</tr>
<tr>
<td>4</td>
<td>Thali</td>
<td>51</td>
<td>4</td>
<td>55</td>
</tr>
<tr>
<td>5</td>
<td>Kaniyur</td>
<td>62</td>
<td>5</td>
<td>67</td>
</tr>
<tr>
<td>6</td>
<td>Komaralingam</td>
<td>126</td>
<td>6</td>
<td>132</td>
</tr>
<tr>
<td>7</td>
<td>Madhathukumlam</td>
<td>174</td>
<td>21</td>
<td>195</td>
</tr>
<tr>
<td>8</td>
<td>Sangaramanallur</td>
<td>74</td>
<td>2</td>
<td>76</td>
</tr>
<tr>
<td>9</td>
<td>Kunnathur</td>
<td>18</td>
<td>-</td>
<td>18</td>
</tr>
<tr>
<td>10</td>
<td>Uthukuli</td>
<td>116</td>
<td>4</td>
<td>120</td>
</tr>
<tr>
<td>11</td>
<td>Ruthravathi</td>
<td>86</td>
<td>-</td>
<td>86</td>
</tr>
<tr>
<td>12</td>
<td>Chinnakkampalayam</td>
<td>128</td>
<td>4</td>
<td>132</td>
</tr>
<tr>
<td>Sl. No</td>
<td>Name of the Town Panchayat</td>
<td>Women SHG</td>
<td>Youth SHG</td>
<td>Total</td>
</tr>
<tr>
<td>-------</td>
<td>-----------------------------</td>
<td>-----------</td>
<td>-----------</td>
<td>-------</td>
</tr>
<tr>
<td>1</td>
<td>Avinashi</td>
<td>755</td>
<td>33</td>
<td>788</td>
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<tr>
<td>2</td>
<td>Pongalur</td>
<td>395</td>
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<td>404</td>
</tr>
<tr>
<td>3</td>
<td>Palladam</td>
<td>499</td>
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<td>546</td>
</tr>
<tr>
<td>4</td>
<td>Udumalpet</td>
<td>1448</td>
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<td>1606</td>
</tr>
<tr>
<td>5</td>
<td>Gudimangalam</td>
<td>616</td>
<td>43</td>
<td>659</td>
</tr>
<tr>
<td>6</td>
<td>Madathukkulum</td>
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<td>16</td>
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<td>Tiruppur</td>
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<td>1302</td>
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<td>8</td>
<td>Uthukuli</td>
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<tr>
<td>9</td>
<td>Dharapuram</td>
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<td>52</td>
<td>494</td>
</tr>
<tr>
<td>10</td>
<td>Kundadam</td>
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<td>7</td>
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<td>Mulanur</td>
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<td>10</td>
<td>462</td>
</tr>
<tr>
<td>12</td>
<td>Kangeyam</td>
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<td>21</td>
<td>487</td>
</tr>
<tr>
<td>13</td>
<td>Vellakoil</td>
<td>423</td>
<td>34</td>
<td>457</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>8520</td>
<td>436</td>
<td>8956</td>
</tr>
</tbody>
</table>

**Magalir Thittam**

Tiruppur SHGs come under Magalir Thittam and they are broadly categorized as ‘Rural’ and ‘Urban’, 8956 groups are formed in rural division and only 3874 groups are formed in the urban divisions upto the year 2010-11.
Both the urban and rural divisions are eligible to get a loan of Rs. 50,000 with a subsidy of Rs 10,000 upto 2010-11. The Subsidy has been raised to Rs 15,000 for rural SHGs only from the year 2011-12.

Moreover economic loan is offered for both rural and urban groups. In total Rs.3,75,000 has been sanctioned for all the groups and the subsidy was Rs125,000. Further more, members are given specialized training in three categories viz, Animators, Representatives and Members.
REFERENCES:


8. Velu Suresh Kumar “women empowerment success through self help groups”Kisan world Nov. 05 P.no 31.
